

ONASSIS TO SELL LIBERIAN TANKERS

STATINTL

**Asks to Transfer 10 Vessels
to Panamanian Registry**

By WERNER BAMBERGER

A fleet of Liberian-flag tankers controlled by a United States trust established by Aristotle S. Onassis, the Greek shipping magnate, will soon be sold.

The fleet consists of ten vessels, all unused for several years as a result of depressed conditions in the world tanker market. It is composed of nine 16,500-ton T-2 tankers, a type built in this country during World War II, and a 18,000-ton tanker.

An application for the transfer of these vessels from ownership by the Alexander S. Onassis Corporation has been filed with the Maritime Administration in Washington.

The Maritime Administration has the final say on the future of these vessels. In approving the original transfer to Liberian flag, the ten ships were considered to be under effective United States control in case of an international emergency.

Agreement Dated in 1955

The corporation and another company, Victory Carriers, Inc., were set up as United States-citizen controlled concerns under an agreement between the Greek ship owner and the Federal Government. The agreement, executed in 1955, settled extended litigation over earlier tanker operations by Mr. Onassis.

As part of this agreement, fourteen United States surplus tankers were placed in trust with the Grace National Bank of New York for the benefit of Mr. Onassis' two American-born children. These ships at one time were considered worth \$7,000,000.

In January, 1957, the bank asked the Maritime Administration for permission to transfer fourteen tankers to Liberian registry. This was approved in exchange for a commitment by the Onassis interests to build two 46,000-ton tankers and a 106,000-ton oil carrier in United States yards.

The order for the 106,000-ton vessel was recently changed to one calling for the construction of two 46,000-ton vessels.

The application now pending in Washington seeks approval of the sale of the ten idle tankers to three Panamanian companies — Rosedale Navigation Company, Condor Financiera Panama S. A. and Sunstone Marine Panama S. A.

A spokesman for the Federal shipping agency said from Washington yesterday that the application was under study.

Under the proposal the ships would be owned by the three Panamanian companies but would continue to fly the Liberian flag.

Industry Speculation

There was considerable speculation in maritime circles concerning the interests that control these three Panamanian companies and what use these companies would make of the ships.

T-2 tankers recently have brought close to \$300,000 each. However, what little interest in purchasing this type of ship existed was reportedly centered on ships intended for conversion into 21,000 to 22,000 dry bulk carriers through insertion of new and larger midbodies.

In view of the poor state of the international oil transport market, a market in which T-2 type vessels have been superseded to a great extent by larger and more economical tonnage, it was considered possible that most of the ten tankers might end their careers in a shipbreaker's yard. Scrap prices for ships have risen recently.

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